

UMUZIWABANTU MUNICIPALITY



DRAFT BUDGET DOCUMENTATION 2012/2013 FINANCIAL YEAR

**UMUZIWABANTU MUNICIPALITY
BUDGET 2012/2013**

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1. MAYOR'S REPORT

**Honourable Speaker, Councillors,
Municipal Manager and officials,
Members of the public and all present here today**

As I present the Draft MTREF budget for the financial year of 2012/2013, we have to be mindful of the progress we have recorded, the goals we have set for ourselves and the context we are working in as a local municipality – as all of these factors have influenced what we are putting on the table today. At a time like this we therefore have to look back on what the municipality has achieved in its 18 years of democracy, where we have fallen short and where we still need to make improvements. Having said that, I am sure that all of us as a collective can say with one voice that we are proud of our past service delivery record and confident of the future and —working together we can do more.

Honourable speaker and Councillors, most of our delivery effort over the past years has been focussed on infrastructure development for the provision of free basic services as well as operation and maintenance support. We have also put a lot of effort into institutional and administrative reforms, developmental issues (HIV/Aids and Social responsibility), governance and financial reforms and we are having a functional shared audit service for the district.

The budget I am tabling to Council for notification has gone through the following process:

As required by law;

- I have tabled to Council an IDP and a Budget Process Plan in August 2011.
- As we all know that every new council must prepare an IDP for their term of office Almost, simultaneously in the district the IDP review process was rolled out with the participation of all the wards within the municipality, in order to review needs, assess delivery and prioritise still existing or new areas for development and service delivery which have been incorporated in the Draft MTREF budget.
- Our process has been very much in line with national priorities and show that we are not misdirected in terms of our priority areas.

I would now therefore like to take you through a more detailed presentation of how we propose to invest the funds that have been entrusted to us. I want to remind all of us here that this draft budget is linked to our 5 key performance areas as agreed to during our IDP review process. #

The municipality will today adopt the draft budget totalling R109, 2 million (including depreciation) broken down between;

- The operations budget R85.5 m sharing 78 % of the budget, and
- The Capital Budget R23.7 m sharing 22% a total budget.

Honorable Speaker, in order to meet the continuing challenge of infrastructure provision, the municipality earmarked 50% Miscellaneous, Depreciation 6 percent, Repairs and maintenance 5 percent of the Operating Budget. Rates excluding Electricity are expected to drop by 1 percent from 12 percent (to 11 percent (9.2). Electricity is expected to increase by 11.03 percent, refuse by 5 percent and other income by 5 percent. In order to prevent slow or non-implementation of infrastructure grants, Council will monitor closely expenditure in this area and strictly enforce our policies on this matter. In addition to our huge investment in infrastructure, it is a serious cause of concern that our municipality have very diminished capacity, human resource & financial, in terms of maintaining this investment that both national and provincial government is making.

We have managed to increase the public profile of the municipality through our communications and public relations through community meetings over the past years. Honourable Speaker we have to admit that though we have to achieve a number of milestones in our term of Council. We are continuously refining the budget process in order for it to be more inclusive, more responsive and much clearer. As councillors and officials we have to learn more about what is required from us and keep on engaging with it. I am also appealing to all of us to see the budget as a powerful tool for delivery and transformation and to take out some of the stress and anxiety that is still experienced. We need to be constantly aware that our mandate is to address the needs of the people in our municipality and improving their lives in the process.

Due to budgetary constraints, we have slightly trying addressing economic development in our Municipality Harding Town, and this need to be a more intense area of focus which is aligned to the guiding frame Work of the KZN PGDS (Provincial Growth and Development Strategy). We have to ensure that our programmes are aligned with National, Provincial and district priorities, whilst prioritising those most acute needs at a local level. We have to insist on the participation of national, provincial departments and district municipality in our IDP's to ensure alignment and relevance.

I want to sincerely thank all the Councillors, the Municipal Manager, the management team, officials, stakeholders, government departments and members of the public who have given input and many may still be inputting to this process.

I thank you for your attention and would like to wish the Council the best in the consultation process of the 2012/13 MTREF budget and improving the lives for all citizens of the Umuziwabantu Municipality.

I thank you

2. BUDGET OVERVIEW: EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

When packaging this budget we had to consider a number of critical factors that have implications for us as a developmental local government. The recession experienced by the country in the prior years, rocketing oil prices, changes in interest rates, consumer price index etc. The reality is that, in as much as the recession has been declared over by economists; it will still take time before the actual cash can be in our people's pockets. This therefore means that we need to consider and be very careful when instituting tariff increases for the financial year ahead of us. In this regard we have used an across the board percentage increase of% for services offered by the municipality, guided by Circular 58 and 59 from National Treasury.

BACKGROUND TO BUDGET PROCESS

Over and above compliance with MFMA, the purpose of the 2012/2013 MTRF budget is to enable the municipality to achieve its vision and mission through the IDP which is informed by our five year programme based on community and stakeholder inputs.

Indicated below is a summary of the draft MTRF tabled to Council of Umuziwabantu Municipality on the 30 March 2012, per Department for 2012/2013. This has laid the foundation by which the strategic functions within the municipality could apply sound financial planning and management over the medium to long term. It facilitated the alignment of planning, budgeting and sustainable service delivery in line with the vision and mission of Umuziwabantu Municipality.

Budget/IDP Process plan was adopted by council end ofAugust 2011; the outcome of the process plan was an understanding and commitment by all stakeholders on the process to be followed in the reviewing of the Vision, Mission, IDP as well as formulating the budget. The mechanism through which the needs of the municipality are identified and priorities set is the IDP. The Capital budget is then accordingly allocated to the higher priorities of the IDP.

The budget preparation process is guided by the following legislative requirements

- MFMA
- Municipal Structures Act and
- Municipal Systems Act
- Municipal Budget and Reporting Regulations

The following principles were applied in formulating the MTRF Capital budget

- The 2011/2012 capital budget approved in the previous years MTRF has been used as the base
- Budget must be aligned to the IDP
- All grant funding had to be verified

During the prioritization process the capital budget, the impact of Capital project on future operations was assessed.

Both the operating and capital budgets have been evaluated through a prioritization mechanism that ensures alignment to the development strategy of the municipality.

MTRF OUTLOOK 2012/2013

Capital Budget

The capital budget is directly informed by the needs submitted by the community through the IDP process. The Capital spending is projected to reduce from R34 322 996 mil 2011/2012 to R 23 754 419 Mil 2012/2013

Funding of Capital Budget

	<u>2011/2012</u> <u>RM</u>
Total Capital Budget <u>Funded as follows</u>	<u>23 754 912.00</u>
Housing	1 000 000,00
MIG	18 351 000.00
SMALL TOWN REHABILITATION	600 000.00
EQUITABLE SHARE	3 788 912.00
FMG	15 000.00

Operating Budget

The operating budget, which deals with the day to day operations of the municipality to ensure delivery of services to the communities, increased from R82 013 265.00 to R85 537 693.00 the growth is mainly attributed to

- Cost of addressing service delivery backlogs
- Cost of bulk purchases for Electricity
- Repairs and Maintenance of Infrastructure and Assets
- Employee related cost resulting from filling of vacancies and the provision for salary increases

Funding of Operating Budget

Income	AMOUNT	%
Assessment Rates	9 004 173.00	11
Service Charges (Include electricity)	24 139 104.00	28
Fines, Licenses and Permits	2 778 318.00	3
Grants & Subsidies	42 947 088.00	50
Interest on Investments	2 904 227.00	3
Penalties and Collection Charges	115500.00	0.13
Other Income	3 649 283.00	7.87
TOTAL	85 537 693.00	100

Grant Allocations

Grant	2012/2013 AMOUNT	2013/2014 AMOUNT	2014/2015 AMOUNT
Equitable Share	43 500 000.00	46 725 000.00	50 723 000.00
Finance Management Grant	1 500 000.00	1 750 000.00	1 750 000.00
MSIG	800 000.00	900 00.00	950 000.00
MIG	18 351 000.00	19 358 000.00	20 477 000.00
Library service grant	351 000.00	625 000.00	

Budget Analysis

Miscellaneous 50 percent, Depreciation 6 percent, Repairs and maintenance 5 percent of the Operating Budget. Rates excluding Electricity are expected to drop by 1 percent from 12 percent (to 11 percent (9.2). Electricity is expected to increase by 11.03 percent, refuse by 5 percent and other income by 5 percent.

3. Budget resolution

4. TARRIF OF CHARGES FOR 2012/2013

		2011/2012 (Excl Vat)	2012/2013 (Excl Vat)
1. HALLS			
1.1	General Functions including weddings, concerts, contests, dances, exhibitions, tournaments	R 1 156.10	R 1 213.91
1.2	Rural Halls	R 0.00	R 0.00
1.3	Use of Kitchen	R 375.34	R 394.11
1.4	Small Hall	R 563.45	R 591.62
1.5	Any Other	R 375.34	R 394.11
1.6	Deposit – Town Hall	R 1 877.38	R 1 971.24
1.7	Deposit – Rural Halls	R 0.00	R 0.00
1.8	Deposit – Small Hall	R 1 126.43	R 1 182.75
1.9	HALL HIRE – AFTER HOUR USEAGE FEES (9:00–22:00) / PER HOUR	R 100.00	R 105.00
1.10	STORAGE FEES / PER DAY	R 50.00	R 52.50
2. MUNICIPAL GROUNDS			
2.1	Non –Profit Organisation	R 173.30	R 181.96
2.2	Profit – Organisation	R 433.24	R 454.90
2.3	Deposit	R 721.83	R 757.92
3. MUNICIPAL CEMETRIES			
3.1	Grave Lot plus burial fee (Adult)	R 1 227.52	R 1 288.90
3.2	Grave Lot plus burial fee (Child<12)	R 675.15	R 708.90
3.3	Grave Reservation	R 1 227.52	R 1 288.90
3.4	Opening of grave for exhumation	R 2 216.75	R 2 327.59
4. MISCELLANEOUS SERVICES			
4.1	Search fee per account, documents' or file produced for inspection or duplicate accounts made out	R 0.00	R 0.00
4.2	Certified copy of extract from Council's minutes and or hearing per page	R 0.00	R 0.00

4.3	Rates Clearance Certificate	R 110.00	R 115.50
4.4	By laws or Policies per copy	R 0.00	R 0.00
	Extracts per page	R 0.00	R 0.00
4.5	Valuation Roll	R 605.00	R 635.25
4.6	Clearing of Vacant Plots	R 0.00	R 0.00
4.7	Fine for tampering with electricity	R 2 500.00	R 2 625.00
4.8	Business licence	R 0.00	R 228.00
4.9	Duplicate Licence	R 0.00	R 50.00
4.10	Informal Traders		R 100.00
4.11	Fine for not possessing business licence		R 1 000.00
4.12	Cumulative transgression per day		R 10.00
6. REFUSE			
6.1	Domestic	R 49.84	R 53.58
6.2	Domestic additional clearance	R 72.50	R 77.94
6.3	Commercial – Small business	R 142.27	R 152.94
6.4	Commercial – Office premises	R 142.27	R 152.94
6.5	Commercial – Large business	R 684.30	R 735.62
6.6	Additional clearance(Commercial)	R 177.59	R 190.91
6.7	Industrial premises	R 568.24	R 610.86
6.8	Additional clearance (Industrials0	R 177.59	R 190.91
6.9	Government Properties(Schools, PO,SAP,SAR)	R 552.38	R 593.80
6.1	Additional Clearance (Gov prop)	R 172.63	R 185.58
6.11	St Andrews Hospital	R 1 026.74	R 1 103.75
6.12	Additional clearance (Hospital)	R 207.24	R 222.79
6.13	Churches	R 34.61	R 37.21
6.14	Sport Clubs		
6.15	To dump Domestic refuse at site	R 45.00	R 48.38
6.16	To dump Commercial refuse at site	R 100.00	R 107.50
7 TOWN PLANNING			
7.1	Erecting a building prior to local authority's approval	R110 per day Maximum of R1650	R110 per day Maximum of R1650

7.2	Failing to comply with notice prohibiting erection of a building	R110 per day Maximum of R1650	R110 per day Maximum of R1650
7.3	Occupying a building prior to issue of certificate by local authority	R 1 210.00	R 1 270.50
7.4	Hinders or obstructs any building officer etc	R 1 815.00	R 1 905.75
7.5	Failing to maintain any mechanical equipment or service installation in connection with a building condition	R 605.00	R 635.25
7.6	Failing to comply with Notice to comply with Regulation	R 1 815.00	R 1 905.75
7.7	Failing to comply with Notice to Evacuate Building	R 605.00	R 635.25
7.8	Perform trade of plumbing without being trained plumber, etc	R 605.00	R 635.25
7.9	Carry out of plumbing work by a person other than a trained plumber , or exempted person	R 605.00	R 635.25
7.1	Trained plumber causes or permits non trained plumber to practice the trade of plumbing etc.	R 605.00	R 635.25
7.11	No notice given of intension to erect or demolish a building	R 605.00	R 635.25
7.12	No notice given that trenches/ drains are ready for INSPECTIONS	R 605.00	R 635.25
7.13	Construction of foundation before approval of trenches and excavations	R 1 210.00	R 1 270.50
7.14	Owner backfills or enclose drainage installation before inspection, testing and approval	R 605.00	R 635.25
7.15	Using of building for purpose other than the purpose which causes in the class of occupancy	R 1 815.00	R 1 905.75
7.16	Deviates from approved plan	R907,R1210, R 1815	R952,R1270, R 1906
7.17	Fails to cease work after notification of Council to do so	R 1 815.00	R 1 905.75

7.18	Fails to comply with Notice to Erect building in accordance with regulation	R 605.00	R 635.25
7.19	Failing to provide protection of the edge of any balcony , bridge , flat roof or similar place	R 907.50	R 952.88
7.2	Access to swimming pool not controlled	R 907.50	R 952.88
7.21	Demolishing a building without permission from Local Authority	R 1 210.00	R 1 270.50
7.22	Leaving a building in cause of demolition in a state dangerous to the public or any adjoining property	R 1 815.00	R 1 905.75
7.23	Fail to erect a fence , hoarding or barricade	R907,R1210	R952,R1270,
7.24	Fail to confine any work of erection or demolition within boundaries of site	R 0.00	R 0.00
7.25	Construct any pit latrine without the permission of Local Authority	R 605.00	R 635.25
7.26	Fail to provide sufficient fire extinguishers, etc	R 1 210.00	R 1 270.50
7.27	Cause or permit any escape route to be rendered less effective, etc	R 1 210.00	R 1 270.50
7.28	Special consent	R 363.00	R 381.15
7.29	Subdivision of land	R 363.00	R 381.15
7.3	Amendment to existing subdivision	R 0.00	R 0.00
7.31	Rezoning	R 363.00	R 381.15
7.32	Fail to observe conditions imposed to local authority	R 605.00	R 635.25
7.33	Fail to limit dust arising from work etc.	R 605.00	R 635.25
7.34	Carry on any activity etc. During periods which may disturb etc.	R 907.50	R 952.88
7.35	Failing to comply with a notice to cut into or lay open work or to carry out tests.	R 605.00	R 635.25
7.36	Failing to comply with a notice to remove rubble, rubbish and/or debris from a building site	R 605.00	R 635.25
7.37	Failing to comply with a notice to remove surplus material and matter from the site or land or public street or arising from building or demolition work	R 605.00	R 635.25

7.38	Erecting or demolishing a building without providing sanitary facilities for employees	R 605.00	R 635.25
7.39	Fail to maintain open exaction in a safe condition	R 1 815.00	R 1 905.75
7.4	Fail to provide drainage installation	R 605.00	R 635.25
7.41	Fail to lay, alter or extend any drain etc	R 1 815.00	R 1 905.75
7.42	Permit sewage to enter any street	R 1 815.00	R 1 905.75
7.43	Permit sewage to enter any river etc	R 1 815.00	R 1 905.75
7.44	Cause or permit storm water to enter any drainage installation on any site.	R 605.00	R 635.25
7.45	Discharge or cause discharge of any water from a swimming pool etc. Or any public street etc.	R 605.00	R 635.25
7.46	Construct an installation contemplated in regulation P4.1 (liquid or solid matter requiring treatment/storage)	R 1 210.00	R 1 270.50
		R 0.00	R 0.00
7.47	Fail to seal opening to pipe or drain etc.	R 605.00	R 635.25
7.48	Fail to seal opening permanently disconnected drain.	R 605.00	R 635.25
7.49	Fail to notify the municipality of disconnecting of any drainage installation	R 605.00	R 635.25
	<i>INDUSTRIAL/COMMERCIAL</i>		
7.5	Interfere with any sewer or connecting sewer	R 1 210.00	R 1 270.50
7.51	Fail to seal opening to pipe or drain etc.	R 605.00	R 635.25
7.52	Fail to notify municipality of disconnecting of any drainage installation	R 605.00	R 635.25
7.53	Interfere with any sewer or connecting sewer	R 1 100.00	R 1 155.00
7.54	Break into or interfere with any drainage installation etc.	R 1 100.00	R 1 155.00
7.55	Put into use any drainage installation before inspection etc	R 1 210.00	R 1 270.50
7.56	Construct any pit latrine without the permission of the municipality	R 605.00	R 635.25
7.57	Fail to provide sufficient fire extinguishers etc	R 1 210.00	R 1 270.50

7.58	Cause or permit any escape route to be rendered less effective etc.	R 1 210.00	R 1 270.50
8	ELECTRICITY – subject to NERSA approval		
8.1	Domestic – basic charge	R 123.85	R 137.51
8.2	Domestic – consumption – (0 – 50)	R 0.63	R 0.66
	– (51 – 350)	R 0.73	R 0.82
	– (351 – 600)	R 0.95	R 1.05
	– (601 <	R 1.12	R 1.24
8.3	Office – basic charge	R 123.85	R 137.51
8.4	Office – consumption	R 0.73	R 0.82
8.5	Comm./Small power user – basic charge	R 584.54	R 649.02
8.6	Comm./Small power user – consumption	R 0.89	R 0.99
8.7	Comm./Large user(0–50) – basic charge	R 705.07	R 782.83
8.8	Comm./Large user (0–50) – consumption	R 1.15	R 1.27
8.9	Comm./Large user(51–75) – basic charge	R 1 762.41	R 1 956.81
8.1	Comm./Large user (51–75) – consumption	R 1.06	R 1.17
8.11	Comm./Large user(76–100) – basic charge	R 3 525.08	R 3 913.89
8.12	Comm./Large user (76–100) – consumption	R 1.02	R 1.13
8.13	Comm./Large user(101 < – basic charge	R 7 050.40	R 7 828.06
8.14	Comm./Large user (101 < – consumption	R 1.02	R 1.13
8.15	Prepaid Domestic	Inclining block tariff as above	
8.15	Prepaid Business	R 1.17	R 1.30
9	RATES		
9.1	Residential	0.0110	0.0100
9.2	Commercial	0.0165	0.0150
9.3	Agriculture	0.0024	0.0025
9.4	Public Service Infrastructure	0.0028	0.0025
9.4	PSI & State Owned	0.0132	0.0120
9.5	Communal Land	0.0110	0.0100
9.6	Tourism & Hospitality		0.0125
9.7	Residential– Vacant land–Impermissible		–15000
9.8	Residential– Dwelling including Impermissible		–75000
9.9	Agriculture rebate		55%

6. OVERVIEW OF THE ALIGNMENT OF THE BUDGET TO THE INTEGRATED DEVELOPMENT PLAN

The alignment of the budget to the integrated development plan is crucial in order to ensure the Effectiveness of any budget. Various internal consultative sessions were held with Councillors and Officials in order to determine the strategic priorities for the municipality in the upcoming financial year.

Both the integrated development plan and the budget has incorporated these priorities and action plans, and therefore assisted in the alignment of both the budget and the integrated development plan.

Alignment Approach

The 2012 / 2013 BUDGET/IDP Review Process Plans of the District and its Local Municipalities were prepared in line with the IDP Framework Plan of the district as agreed by all the Municipalities in the District. In 2008 the UGu District Municipality, in pursuit of the relevant legislative directives, adopted its 2010/2011 IDP Review Framework Plan to guide its process plans and consequently, the IDP process plans of both the district itself and the local municipalities within the area of its jurisdiction. This was done in consultation with the local municipalities through IDP Managers Forums, IDP Representative Forums, Steering Committees, EXCO and the Councils of the respective municipalities.

The IDP Framework Plan provides the linkage for binding relationships to be established between the district and its family of local municipalities. In so doing, proper consultation, co-ordination and alignment of the review process of the District Municipality and its various local municipalities has been maintained. The review process also seeks to incorporate any recommendations which from COGTA which serve to ensure that the 7 broad National Priorities are adequately met.

- Municipal Institutional Transformation
- Local Economic Development
- Basic Service Delivery and Infrastructure Investment
- Financial viability and Financial Management
- Good Government and Community Participation
- Spatial Development Framework

Umuziwabantu Municipality will continue to prioritize the strategic objectives of the IDP more so the income generating investment infrastructure and at the same time not compromising in addressing the service delivery infrastructure backlogs. This will be done by gradually refraining from departmental capital budgeting to prioritising income generating assets and infrastructure.

7. OVERVIEW OF THE BUDGET RELATED POLICIES

The budget related policies are currently under review and any comments or suggestions received during the public participation process will be considered.

Sound Financial Management and Planning remain a top priority of Umuziwabantu Municipality. Therefore the following policies have been developed or under review to ensure that a good financial steed in maintained:-

- Debt and Credit Control Policy
- Rates Policy
- Tariff Policy
- Supply Chain Management Policy
- Petty Cash Policy

8. BUDGETING ASSUMPTIONS

The budgeting assumptions that underpin the 2012/2013 budget preparation are as follows:

Revenue

- All revenue levels were based on current and past year actual trends, and therefore resulted in a realistic revenue base and kept in line with inflation as far as possible;
- Property rates and refuse removal tariffs were decreased by 1%and increase by 7.5% respectively;
- Interest on investments was increase by 5% due to the projected increase in the revenue;

Expenditure

The following areas were targeted in terms expenditure:

- ❖ Contracted Services
- ❖ Employee related costs
- ❖ General expenses
- ❖ Repairs and maintenance was increased due to the need to maintain our existing Infrastructure
- ❖ Employee costs were budgeted at an estimated increase of 5% based on National Treasury's Guidelines (Circular 58);
- ❖ Electricity was budgeted utilizing the full year forecasted expenditure of the current year and taking in to account Eskom's tariff increase of 11.3 %.

UMUZIWABANTU MUNICIPALITY SUPPLY CHAIN MANAGEMENT POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of adoption:

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the Umuziwabantu Municipality.

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Definitions

- 1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

“competitive bid” means a bid in terms of a competitive bidding process;

“final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“formal written price quotation” means quotations referred to in paragraph 12 (1) (c) of this Policy;

“in the service of the state” means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

“long term contract” means a contract with a duration period exceeding one year;

“list of accredited prospective providers” means the list of accredited prospective providers which the **municipality** must keep in terms of paragraph 14 of this policy;

“other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“the Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“written or verbal quotations” means quotations referred to in paragraph 12(1)(b) of this Policy.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

Supply chain management policy

- 2.** (1) All officials and other role players in the supply chain management system of the Umuziwabantu Municipality must implement this Policy in a way that-
- (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;

- (b) is fair, equitable, transparent, competitive and cost effective;
- (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- (d) is consistent with other applicable legislation;
- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the Umuziwabantu Municipality

- (a) procures goods or services;
- (b) disposes goods no longer needed;
- (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

Amendment of the supply chain management policy

- 3.** (1) The accounting officer must –
- (a) at least annually review the implementation of this Policy; and
 - (b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the council.

- (2) If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –
- (a) ensure that such proposed amendments comply with the Regulations; and
 - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

Delegation of supply chain management powers and duties

4. (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (b) to maximize administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favoritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

(3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of the Umuziwabantu Municipality or to a committee which is not exclusively composed of officials of the Umuziwabantu Municipality.

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

Sub delegations

5. (1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

(2) The power to make a final award –

- (a) above R10 million (VAT included) may not be sub delegated by the accounting officer;
- (b) above R200 000 hundred thousand (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
 - (i) the chief financial officer;
 - (ii) a senior manager; or
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member.
- (c) not exceeding R2 million (VAT included) may be sub delegated but only to –

- (i) the chief financial officer;
 - (ii) a senior manager;
 - (iii) a manager directly accountable to the chief financial officer or a senior manager; or
 - (iv) a bid adjudication committee.
- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
- (a) the amount of the award;
 - (b) the name of the person to whom the award was made; and
 - (c) the reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted –
- (a) to the accounting officer, in the case of an award by –
 - (i) the chief financial officer;
 - (ii) a senior manager; or
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
 - (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager referred to in subparagraph (2)(c)(iii); or
 - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final

award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

Oversight role of council

- 6. (1) The council reserves its right to maintain oversight over the implementation of this Policy.
 - (2) For the purposes of such oversight the accounting officer must –
 - (a) (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the Umuziwabantu Municipality and
 - (ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council .
 - (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.
 - (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

Supply chain management unit

- 7. (1) A supply chain management unit is hereby established to implement this Policy.

(2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

Training of supply chain management officials

8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

- 9.** This Policy provides systems for –
- (i) demand management;
 - (ii) acquisition management;
 - (iii) Logistics management;
 - (iv) Disposal management;
 - (v) Risk management; and
 - (vi) Performance management.

Part 1: Demand management

System of demand management

10. (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Umuziwabantu Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

- (2) The demand management system must –
- (a) include timely planning and management processes to ensure that all goods and services required by Umuziwabantu Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
 - (c) provide for the compilation of the required specifications to ensure that its needs are met.

- (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

Part 2: Acquisition management

System of acquisition management

- 11.** (1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –
- (a) that goods and services are procured by Umuziwabantu Municipality in accordance with authorised processes only;
 - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - (c) that the threshold values for the different procurement processes are complied with;
 - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation;
- and
- (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the Umuziwabantu Municipality supply chain management system, including -
- (a) the kind of goods or services; and
 - (b) the name of the supplier.

Range of procurement processes

- 12.** (1) Goods and services may only be procured by way of –
- (a) petty cash purchases, up to a transaction value of R500 (VAT included);
 - (b) formal written price quotations for procurements of a transaction value over R500 up to R10 000 (VAT included);
 - (c) formal written price quotations for procurements of a transaction value over R10 000 up to R200 000 (VAT included) must be advertised for at least seven calendar days on the website and an official notice board of the municipality ; and
 - (d) a competitive bidding process for–
 - (i) procurements above a transaction value of R200 000 (VAT included) be advertised for at least fourteen calendar days on the website and newspaper .
 - (ii) the procurement of long term contracts.
- (2) The accounting officer may, in writing-
- (a) lower, but not increase, the different threshold values specified in subparagraph (1); or
 - (b) direct that –
 - (i) at least one formal written quotations be obtained for any specific procurement of a transaction value lower than R2000;
 - (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or
 - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

General preconditions for consideration of written quotations or bids

- 13.** A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
- (a) has furnished that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any;
 - (b) has authorised the Umuziwabantu Municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
 - (c) has indicated –
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

Lists of accredited prospective providers

- 14.** (1) The accounting officer must –
- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
 - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

- (c) specify the listing criteria for accredited prospective providers; and
- (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

(3) The list must be compiled per commodity and per type of service.

Petty cash purchases

15. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –

- (a) the director may delegate the power to authorise petty cash purchases to the senior managers
- (b) a monthly reconciliation report from the expenditure section each must provide the chief financial officer, including –
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.

Written or verbal quotations

16. The conditions for the procurement of goods or services through written or verbal quotations are as follows:

- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Umuziwabantu Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
- (b) to the extent feasible, providers must be requested to submit such quotations in writing;

- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;
- (d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
- (e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

Formal written price quotations

17. (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:

- (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Umuziwabantu Municipality
- (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
- (b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
- (c) the accounting officer must record the names of the potential providers and their written quotations.

(2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

18. The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:

- (a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Umuziwabantu Municipality;
- (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a subdelegation;
- (e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
- (d) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;
- (e) The Supply Chain Manager shall ensure proper record keeping.

Competitive bids

- 19.** (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

Process for competitive bidding

20. The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 21;
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as detailed in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts
 - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping
 - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

Bid documentation for competitive bids

21. The criteria to which bid documentation for a competitive bidding process must comply, must –

- (a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (a) for the past three years; or
 - (b) since their establishment if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

Public invitation for competitive bids

22. (1) The procedure for the invitation of competitive bids, is as follows:

- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Umuziwabantu Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
- (b) the information contained in a public advertisement, must include –
 - (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the Umuziwabantu Municipality ;and
 - (iii) date, time and venue of any proposed site meetings or briefing sessions.;

(2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

(3) Bids submitted must be sealed.

- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

Procedure for handling, opening and recording of bids

23. The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids–
- (i) must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) received after the closing time should not be considered and returned unopened immediately.
- (a) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- (b) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The accounting officer must –
- (i) record in a register all bids received in time;
 - (ii) make the register available for public inspection; and
 - (iii) publish the entries in the register and the bid results on the website.

Negotiations with preferred bidders

24. (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –

- (a) does not allow any preferred bidder a second or unfair opportunity;
- (b) is not to the detriment of any other bidder; and
- (c) does not lead to a higher price than the bid as submitted.

- (2) Minutes of such negotiations must be kept for record purposes.

Two-stage bidding process

- 25.** (1) A two-stage bidding process is allowed for –
- (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

Committee system for competitive bids

- 26.** (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
- (a) a bid specification committee;
 - (b) a bid evaluation committee; and
 - (c) a bid adjudication committee;
- (2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
- (3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –

- (a) paragraph 27, 28 and 29 of this Policy; and
- (b) any other applicable legislation.

(5) The accounting officer may apply the committee system to formal written price quotations.

Bid specification committees

- 27.** (1) A bid specification committee must compile the specifications for each procurement of goods or services by the Umuziwabantu Municipality.
- (2) Specifications –
- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) **must indicate the points that may be awarded for each BBBEE contributor level in terms of the points system set out in the Preferential Procurement Regulations 2011; and**
 - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

(3) A bid specification committee must be composed of one or more officials of the Umuziwabantu Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

(4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

Bid evaluation committees

28. (1) A bid evaluation committee must –

- (a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 27(2)(f).
- (b) evaluate each bidder's ability to execute the contract;
- (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
- (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of-

- (a) officials from departments requiring the goods or services; and
- (b) at least one supply chain management practitioner of the Umuziwabantu Municipality.

Bid adjudication committees

29. (1) A bid adjudication committee must –

- (a) consider the report and recommendations of the bid evaluation committee; and
- (b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

- (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) A bid adjudication committee must consist of at least four senior managers of the Umuziwabantu Municipality which must include –
- (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
 - (b) at least one senior supply chain management practitioner who is an official of the Umuziwabantu Municipality; and
 - (c) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –
- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (ii) notify the accounting officer.
- (b) The accounting officer may –
- (i) After due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
 - (ii)

If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(8) The accounting officer must comply with section 114 of the Act within 10 working days

(9) The 80/20 preference point system for the acquisition of services, works or goods up to a Rand value of R1 million.—

(1)(a) the following formula must be used to calculate the points for price in respect of tenders(including price quotations)with a Rand value equal to, or above R30 000 and up to a Rand value of R1 000 000(all applicable taxes included)—

(b) Subject to sub-regulation (3), points must be awarded to a **tenderer** for attaining the B-BBEE status level of contributor in accordance with the table below.

B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
9	0
10	

- (10) A maximum of 20 points may be allocated in accordance with sub-regulations(2).
- (11) The points scored by a tenderer in respect of B-BBEE contribution contemplated in sub-regulations (2) must be added to the point scored for price as calculated in accordance with sub-regulation (1).
- (12) Subject to regulations 7, the contract must be awarded the tenderer scores the highest total number of points
- (13) The 90/10 preference point system for the acquisition of services, works or goods up to a Rand value above R1 million.—
- (1) the following formula must be used to calculate the points for price in respect of tenders with a Rand value above R1 000 000(all applicable taxes included)—

- 14) Award of contract to tenderers not scoring the highest number of points.-
- (1)
- A contract may be awarded to a tenderer that did not score the highest total number of points, in accordance with section 2(1)(f) Of the act.

(2) Subject to sub-regulation (3), points must be awarded to a **tenderer** for attaining the B-BBEE status level of contributor in accordance with the table below.

B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS
1	10
2	9
3	8
4	5

5	4
6	3
7	2
8	1
None compliant contributor	0

(3) A maximum of 10 points may be allocated in accordance with sub-regulations(2).

(4)The points scored by a tenderer in respect of B-BBEE contribution contemplated in sub-regulations (2) must be added to the point scored for price as calculated in accordance with sub-regulation (1).

(5) Subject to regulations 7, the contract must be awarded the tenderer scores the highest total number of points

Procurement of banking services

30. (1) A contract for banking services –

- (a) must be procured through competitive bids;
- (b) must be consistent with section 7 or 85 of the Act; and
- (c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

Procurement of IT related goods or services

- 31.** (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if –
- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the Umuziwabantu Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

Procurement of goods and services under contracts secured by other organs of state

- 32.** (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) there is no reason to believe that such contract was not validly procured;
 - (c) there are demonstrable discounts or benefits to do so; and
 - (d) that other organ of state and the provider have consented to such procurement in writing.

- (2) Subparagraphs (1)(c) and (d) do not apply if –
- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

Procurement of goods necessitating special safety arrangements

33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

Proudly SA Campaign

34. Umuziwabantu Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly – suppliers and businesses within the municipality or district;
- Secondly – suppliers and businesses within the relevant province;
- Thirdly – suppliers and businesses within the Republic.

Appointment of consultants

35. (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

- (2) Consultancy services must be procured through competitive bids if
- (a) the value of the contract exceeds R200 000 (VAT included); or

- (b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- (a) all consultancy services provided to an organ of state in the last five years; and
- (b) any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Umuziwabantu Municipality.

Deviation from, and ratification of minor breaches of, procurement processes

36. (1) The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) in an emergency;
- (ii) if such goods or services are produced or available from a single provider only;
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos and/or nature and game reserves; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

Unsolicited bids

37. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –

- (a) any comments submitted by the public; and
- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Umuziwabantu Municipality to the bid may be entered into or signed within 30 days of the submission.

Combating of abuse of supply chain management system

38. (1) The accounting officer must–

- (a) take all reasonable steps to prevent abuse of the supply chain management system;
- (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Umuziwabantu Municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Umuziwabantu Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

- (g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the Umuziwabantu Municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management

Logistics management

- 39.** The accounting officer must establish and implement an effective system of logistics management, which must include -
- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;

- (d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Disposal management

- 40.** (1) The criteria for the disposal or letting of assets, including unserviceable, assets who have reached the end of its useful life, redundant or obsolete assets, subject to sections 14 and 90 of the Act, must stipulate the following:

The Accounting Officer may approve the sale of movable assets with a value of less than R500, 000.00 (with delegated authority from Council under Section 14 (4) of the MFMA).

- (a) Approval for the disposal of assets with a value in excess of R500, 000.00 will be submitted to Council under Section 14 (2) of the MFMA.
- (b) The same procedures for disposal of property apply as for procurement under this policy, including application of the Preferential Procurement Policy Act and Regulations.
- (c) When land and buildings are to be sold at market value, a registered valuer will determine the market value.
- (d) Sale of assets through competitive bidding or public auction will follow the same communication process prescribed for tenders. In addition, advice will be given about where prospective buyers/tenderers may view the assets and any

notification of a public auction will advise the date, time and venue of the public auction.

- (e) Assets sold by private treaty with a value greater than R30, 000.00 will be evaluated and adjudicated in accordance with this policy. Adjudication will include provision for points as per the balanced scorecard in the Preferential Procurement Policy Regulations.

(2) Assets may be disposed of by –

- (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
- (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
- (iii) selling the asset; or
- (iv) destroying the asset.

(3) The accounting officer must ensure that –

- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;

- (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
 - (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- (4) The Accounting Officer may approve the sale of movable assets with value of less than R500,000.00 (with delegated authority from Council under Section 14 (4) of the MFMA)
 - (5) Approval for the disposal of assets with a value in excess of R500, 000.00 will be submitted to Council under Section 14 (2) of the MFMA.

Risk management

- 41.** (1) The Accounting Officer must establish an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.
- (2) Risk management must include –
- (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

Performance management

- 42. The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

- 43. (1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

Prohibition on awards to persons in the service of the state

- 44. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) who is in the service of the state;

- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) a person who is an advisor or consultant contracted with the Umuziwabantu Municipality.

Awards to close family members of persons in the service of the state

45. The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

Ethical standards

46. (1) A code of ethical standards as set out in the Umuziwabantu Municipality Code of Conduct for Supply Chain Management Practitioners and other role players established for officials and other role players in the supply chain management system of the Umuziwabantu Municipality in order to promote –

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the code of ethics must be dealt with as follows -

- (a) in the case of an employee, in terms of the disciplinary procedures of the Umuziwabantu Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
- (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

Inducements, rewards, gifts and favours to Umuziwabantu Municipality officials and other role players

- 47.** (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
- (a) any inducement or reward to the Umuziwabantu Municipality for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to –
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.
- (2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph (1) does not apply to gifts less than R350 in value.

Sponsorships

48. The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

Objections and complaints

49. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

Resolution of disputes, objections, complaints and queries

50. (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

- (a) to assist in the resolution of disputes between the Umuziwabantu Municipality and other persons regarding -
 - (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
 - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
 - (a) the dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) no response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

Contracts providing for compensation based on turnover

51. If a service provider acts on behalf of a Umuziwabantu Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Umuziwabantu Municipality must stipulate –

- (a) a cap on the compensation payable to the service provider; and
- (c) that such compensation must be performance based.

Commencement

52. This Policy takes effect on the date on which it is adopted by council.

UMUZIWABANTU MUNICIPALITY

PETTY CASH POLICY

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1. INTRODUCTION

The petty cash must be kept by a designate of the Chief Financial Officer (CFO) in the Finance Department who will keep the cash under lock and key at all times. In terms of the Municipality's Supply Chain Management policy under Sub-paragraph 12 (1) (a), purchases from 1cent up to R 500.00 (inclusive of VAT) to be procured using petty cash.

2. GENERAL REQUIREMENTS AND OPERATIONS

- 2.1. The submission must be compiled with the recommendation of the Head of Department of the Unit concerned, and then forwarded to the Chief Financial Officer for approval, who will also approve any increase, for whatever reason, in the float of petty cash.
- 2.2. Authority to recommend and approve submission by the Head of Department and Chief Financial Officer respectively must be delegated in writing and appointment letters must be kept in safe custody for audit purposes.
- 2.3. Quotation may be requested but not compulsory, it is not compulsory for the selected supplier to be registered in the municipal suppliers' database.
- 2.4. All submissions regarding the request to utilize petty cash must be forwarded to the CFO **at least one** day before the date in which the petty cash is required. Poor planning will not be a justifiable reason to deviate from this provision.
- 2.5. No purchases of goods or services may take place before the approval to use petty cash is granted by the Chief Financial Officer or the delegated official, except in the case of urgent and emergencies in which case the Head of Department will have to give permission to proceed with the transaction. The CFO may make surprise inspections of the petty cash as he/she deems fit to do so, at least quarterly.

- 2.6. A petty cash requisition form must be used for all petty cash purchases. These forms shall be pre-numbered and recorded accordingly in the petty cash register.
- 2.7. The petty cash requisition form must include the following:
- i. Reason for petty cash;
 - ii. Amount requested (not exceeding R500.00);
 - iii. Vote number;
 - iv. Person requesting an item; and
 - v. Authorised by HoD;
 - vi. Person authorizing (CFO)
- 2.8. Urgent and emergency cases will be accommodated where immediate action is required to avoid a dangerous or life threatening situation, or any other cases which may require immediate action to be taken to proactively avoid a negative impact on service delivery.
- 2.9. Restrictions on the value per case may be made by the Responsibility Managers and Chief Financial Officer in order to exercise control over the usage of petty cash.
- 2.10. Original invoices or cash slips must be submitted to the Chief Financial Officer's office after such purchases have taken place.
- 2.11. Failure by any official to submit the invoices or cash slips within the period of 10 days from the date when petty cash was issued (This period will exclude public holidays and weekends that fall within it) will result in such total amount of purchases being recovered from the salary of the requestor. Where slips/invoices have been lost, an affidavit must be obtained.
- 2.12. No item which is available on contract basis may be purchased by using petty cash except in the case of dire or critical need and the item is not available from the contracted suppliers.

- 2.13. The Expenditure Manager must submit a monthly reconciliation report to the Chief Financial Officer, containing the total number and value of petty cash purchases for each month, including the opening balance and closing balance as well as the names of suppliers where goods and services have been purchased.
- 2.14. Certain types of transactions may be excluded from the petty cash purchases in the case where it is considered necessary to do so e.g. day to day maintenance, stationery, subsistence and traveling claims etc.
- 2.15. The related low valued items which are required to be purchased repetitively on a daily, weekly and monthly basis may not each time be purchased by means of petty cash. These requirements have to be consolidated, quantified and therefore procured through the normal procurement process, e.g. coffee and milk for boardrooms committee meetings if those items are required on a regular basis.

3. ARRANGEMENT FOR SUBMISSIONS WITH REGARD TO THE REQUESTS TO UTILISE PETTY CASH

All submissions regarding the request to utilize petty cash must be forwarded to the Chief Financial Officer preferably no less than **one day** before the date on which the petty cash is required. Poor planning will not be justifiable reason to deviate from this provision.

4. CUSTODY AND SAFEKEEPING OF PETTY CASH

The office and the safe where Petty Cash is maintained must always be locked and the keys must be kept in a safe place which is known by the custodian of the petty cash. If petty cash is lost, the official responsible for petty cash will be held liable.

5. ACCESS TO THE PETTY CASH

The use of petty cash should be freely accessible by all staff members. The Creditors Clerk is the only staff member, authorized, to issue petty cash.

6. REPLENISHMENT OF PETTY CASH

Petty cash will only be replenished if the petty cash has reached a minimum amount of **R2000.00**. A maximum amount of **R5000.00** will be kept in the petty cash office in order to minimize and avoid the risk relating to theft and losses.

7. IMPLICATION OF NON COMPLIANCE WITH THE MUNICIPAL PETTY CASH POLICY

It should be noted that failure to comply with this municipal petty cash policy constitutes financial misconduct and any employee found guilty will be subject to disciplinary procedures.

8. EFFECTIVE DATE

This petty cash policy comes into effect as from the 01 July 2012

9. LEGISLATION COMPLIANCE

- The promulgation of the MFMA and the Municipal Property Rates Act continues to yield the results on the operations of the municipality given the reforms and transformation to all the financial planning processes. The municipality will continue to strive to enhance and improve its compliance with these two respective legislation
- The MTREF is an expression of a continuo's process of improving the financial planning process at a local government level incorporating revised formats in accordance with the National Treasury requirements.
- The current year Medium Term Expenditure Framework has been compiled in compliance with the MFMA and the required National Treasury requirements and has been completed within the legislative timeframes.

10. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mr. S.D. Mbhele, Municipal Manager of UMUZIWABANTU MUNICIPALITY, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, No.56 of 2003 and, to the extent as indicated in the budget documents, the regulations made under this Act, and that the annual budget and supporting documentation are consistent with the draft Integrated Development Plan of the Municipality.

PRINT NAME: _____

MUNICIPAL MANAGER OF: _____

SIGNATURE: _____

DATE: _____